

Security Information

15 October 1952

MEMORANDUM FOR: Acting Chairman, IWG

SUBJECT: Evaluation of IWG Accomplishments and Deficiencies

I have considered a re-draft of my first thoughts on this subject necessary in the light of our luncheon conversation, but they remain essentially the same. This statement would hold, however, only if the IWG continues to operate in the manner presently being followed. The Terms of Reference serve as a useful guide in answering your question as to the accomplishments and deficiencies of IWG. They state generally that the purpose of IWG is to develop and furnish intelligence to EDAC for policy making and operations in the economic defense field, and to develop closer relationships among various elements in this field.

IWG activities may be summarized as:

1. Mobilization of economic data for EDAC needs;
2. Preparation of reports for EDAC;
3. Provision of current intelligence to EDAC;
4. Requesting of memoranda and reports from intelligence agencies;
5. Determining intelligence needs and taking steps to fill same;
6. Reviewing intelligence to provide for its distribution to members.

IWG Accomplishments and Deficiencies

1. I feel that IWG, although somewhat slow in getting rolling, is now beginning to get the "feel" of the work it is supposed to perform. Support from member agencies has, however, varied and there have recently been expressions from several of the members indicating their concern over the usefulness of the Group. Likewise, contributions of the member agencies have varied in number and significance. Of the 27 cases already presented to IWG, 6 each have originated with ONI, OSD and ODMS, with CIA contributing 4 and Munitions Division, 3.

2. Regarding the general purposes of IWG, I feel that a clear-cut relationship of IWG with the working groups of EDAC has not been established. It is my opinion (without any substantive basis) that the working groups are functioning without any real conception of the support role IWG is supposed to play. An exception to this is the Transport Controls Working Group (and possibly others) by reason of [redacted] close contact with IWG. My only personal contacts with other working groups, however, has been in the form of a call to the Chairman of the WG's for responses to the intelligence collection item. Concerning the development and furnishing of intelligence to EDAC, I am somewhat in agreement with you that IWG has not done much substantive development, and that the working groups have probably gained most of their intelligence through attendance of intelligence officers.

Document No. 144
Review of this document by CIA has determined that
☒ CIA has no objection to declass
it contains information of CIA
interest that must remain
classified at TS S
Authority: HR 70-2
N contains nothing of CIA interest
9 APR 1980 Reviewer: [redacted]
6. [redacted]

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IWG has produced, however, the following papers which have been or are to be, sent to the EDAC structure:

- a. IWG/AM-1 Numbering of IWG Papers
- b. IWG/AM-2 Status Report on IWG Bases
- ✓ c. IWG/AM-3 Transmittal of CIA Statement on "Alleged Refuelling of Polish Ships with Iranian Oil"
- ✓ d. IWG/AM-4 Transmittal of "Table of New Construction Inhand and on Order in Western Countries for USSR Merchant Fleet - June 1952"
- e. IWG/AM-5 Utilization of Soviet Bloc Merchant Shipping Intelligence by the United States Coast Guard
- ✓ f. IWG/D-1 Danish Tanker APSHERON
- g. IWG/D-2 Soviet or Satellite Chartered Vessels and Merchant Vessels Trading with the Communist Bloc (note - superseded)
- ✓ h. IWG/D-3 Transmittal of "ONI Report on Western Shipyard Services to Soviet Merchant Fleet, 1 January - 30 June 1952"
- i. IWG/D-4 Request for Intelligence Data Relating to Bunkering of Vessels
- j. Soviet Metallurgical Techniques (IWG/D-5) (reproduced publication)
- k. IWG/D-6 Transmittal of "Chronology of COCOM Transit Trade Control Discussions"
- l. IWG/R-1 Alleged Refuelling of Polish Ships with Iranian Oil (c, above)
- m. IWG/R-2 EDAC Interest in Intelligence Exploitation of Foreign Equipment

✓ It is clear from the record that some, if not most, of the above papers could have been prepared and presented to EDAC without benefit of review in Group session of their contents. Whether they would have been so produced and presented is, in my mind, questionable, since it is my conviction that a forum of the nature of IWG puts the "Bee", so to speak, on member agencies to produce. I further believe that the IWG serves as a useful forum in which problems facing particular agencies can be aired without the necessity of putting them on paper. This exchange, I believe, leads to a much freer exchange of ideas than would be possible without benefit of IWG.

It is interesting to note that of the above listed 12 papers, 8 have concerned shipping and related matters, a situation of which more later.

✓ 3. A corollary of IWG support to EDAC is the support of the Steering Group and of the components of EDAC to IWG. So far as I know, there has been created no mechanism by which IWG members are kept advised of action taken by EDAC on particular matters (intelligence material) sent to EDAC by IWG. An analogy is found in ORR-OPC relationships, in which analysts have been loath to support OPC to the fullest extent simply because they never know what happens to the material sent to OPC, or whether any action resulted as a ~~xxxxxx~~ follow-up to research. The Steering Group itself has been remiss in calling upon the IWG for support on specific problems; so far as I know, there have been no cases in which the SG has directly placed a request upon IWG. The Working Groups of EDAC have, at least in the collection requirements instance, disregarded a proffered support move on the part of IWG.

4. The IWG has undoubtedly fostered "closer continuous relationships" among various government elements in the economic defense field. I doubt, however, whether a system such as IWG can serve to correlate all matters of common concern which may arise in component segments of member agencies. This stems from the fact that one representative from each agency is humanly incapable of canvassing his agency for problems which may likewise be of concern to other agencies represented on IWG. It can only be hoped that the activities and purpose of IWG will become so well known throughout all segments of government (from top to lower levels) that component elements will make known their needs to their respective IWG representatives.

5. This raises another point for consideration. IWG has received the blessing of top Government officials, but has not apparently been accorded such recognition by various agencies which constitute the Group. This is evidenced by statements from Treasury, OSD and AFOIN to the effect that IWG takes an inordinate amount of time and that other matters have priority. It would appear the responsibility of the Steering Group to back IWG to the hilt in making sure that each agency on IWG make provision for sufficient personnel (with adequate priority) to carry out IWG functions.

This applies to CIA as well as other agencies. We must be so organized, as the central intelligence agency of the government, to be enabled to assist to the fullest degree in carrying out the assigned tasks of IWG. In my opinion, we are not now so organized, due in large measure to the personnel situation. I will not amplify on this point since you are well aware of these needs. There is another point in this regard which, however, deserves consideration insofar as our own capabilities are concerned.

The Terms of Reference call for intelligence support of 104/2 measures. There has been a justified emphasis in this Division on Transport Controls, but in my opinion, a lack of emphasis on other equally important economic warfare measures, specifically, financial controls and blacklisting. The IWG has been faced with problems in both of these fields, but referral to CIA (as a contributing agency) for answers to such problems has been hampered by this lack of emphasis. This is not to suggest that transport controls should not be vigorously strengthened, but only that a proper balance should be created in this Division insofar as personnel is concerned so as to enable us to produce material for IWG in all fields covered by NSC/104/2.

6. To sum up, then. In my opinion, any change in the present IWG operating system should be approached only with caution, pending a careful study as to whether any better method can be found of supporting the EDAC structure in the overall economic defense field. IWG operations can be improved, I believe, by a widespread dissemination of the purposes and activities of IWG and the growth of an awareness in government of the needs which IWG can fulfill. Needed also is full support from the SG and EDAC itself, both with respect to placing requests upon IWG and in supporting the full-time assignment of personnel in represented agencies.